

# NET PROFIT ROSE BY 31.9% TO RM454.4 MILLION IN 2019, BOOSTED BY GAIN FROM LAND SALE; PAYS 2.0 SEN FINAL DIVIDEND

INVESTOR UPDATES

(RM mil)	4Q19	4Q18	% YoY	3Q19	% QoQ	2019	2018	% YoY
<b>Consolidated PATAMI</b>	<b>*200.5</b>	17.9	>100	110.3	81.8	*454.4	**344.5	31.9

\* Includes one-off gain for land sale amounting to RM188.1m in 4Q19

\*\* Includes reversal of provision amounting to RM207.0m made in 2Q18

## 4Q19 FINANCIAL HIGHLIGHTS

Group revenue from Continuing Operations of RM3,115.7 million for 4Q19 was 16.3% higher compared to the corresponding quarter of last year. The increase was mainly due to higher sales in the Automotive and Manufacturing & Engineering businesses.

Group Profit before taxation (PBT) from Continuing Operations of RM311.7 million was higher than the RM151.2 million registered in the corresponding quarter mainly due to one-off gain for land disposals of RM188.1 million in 4Q19.

Consolidated PATAMI was RM200.5 million, a more than 100% increase compared to the previous corresponding quarter.

The Group's deposits, cash and bank balances stood at RM1,472.1 million as at end- 2019

The Group has declared a final dividend of 2.0 sen per share amounting to RM23.4 million for the financial year ended 31 December 2019.

## 4Q19 OPERATIONAL HIGHLIGHTS

UMW Toyota Motor recorded its highest sales for the year in 4Q19 and achieved sales of 70,009 units for 2019; capturing 11.6% market share.

Perodua continued its strong sales momentum during the quarter, and closed the year with a record-breaking sales of 240,341 units. Its market share for the year rose to 39.8%.

Equipment segment results was affected by sluggish demand in pertinent sectors.

M&E segment was boosted by higher delivery of fan cases as well as increased sales of auto-components and lubricants.

Dear fund managers and analysts,

“UMW understands that we have a responsibility to our stakeholders to optimize returns from the prevailing economic cycle. Amidst a challenging business environment in 2019, the Group took decisive actions to improve the competitiveness of our businesses.”

**Badrul Feisal bin Abdul Rahim**  
 President & Group CEO  
 UMW Holdings Berhad

# UMW HOLDINGS BERHAD

## Group Financial Statement from Continuing Operations



(RM'000)	4Q19	4Q18	% YoY	3Q19	% QoQ	2019	2018	% YoY
Revenue	3,115,661	2,679,356	16.3	2,882,664	8.1	11,739,145	11,303,649	3.9
Share of Profits of Associated Companies	64,590	100,378	(35.7)	85,205	(20.5)	291,584	270,690	7.7
Profit before taxation	311,671	151,186	>100	150,305	>100	754,787	800,333	(5.7)

### RESULTS

4Q19 (y-o-y)  
& (q-o-q)

- The increase in revenue was mainly due to higher sales in the Automotive and Manufacturing & Engineering business while higher in PBT was mainly due to one-off gain for land disposals of RM188.1 million in 4Q19.

2019 (y-o-y)

- Group revenue increased mainly due to higher sales in the Automotive and Manufacturing & Engineering business. However, Group PBT was lower mainly due higher depreciation cost in the Automotive business as well the sluggish demand in the Equipment business.

### PROSPECTS

- The Group will continue to focus on strengthening its core business segments as well as its strategic cost optimization initiatives to improve its business performance and operational productivity.
- Notwithstanding the challenging economy environment, the Group is expected to achieve a satisfactory performance in 2020.

(RM'000)	4Q19	4Q18	% YoY	3Q19	% QoQ	2019	2018	% YoY
Revenue	2,449,969	2,043,610	19.9	2,296,945	6.7	9,295,874	8,946,735	3.9
Profit Before Taxation	114,869	130,330	(11.9)	140,090	(18.0)	530,302	549,968	(3.6)

## RESULTS

4Q19 (y-o-y)  
& (q-o-q)

- Revenue was higher mainly due to higher number of vehicles sold while PBT was lower mainly attributable to a lower share of profit from an associate.

2019 (y-o-y)

- Revenue was higher mainly due to higher number of vehicles sold but lower PBT was caused by higher depreciation in the current year, following commencement of the new Bukit Raja plant at the end of 2018.

UMW Toyota Motor Sdn Bhd  
(51% subsidiary company)Perusahaan Otomobil Kedua Sdn Bhd  
(38% associate company)

## HIGHLIGHTS

- Toyota sold 21,483 units in 4Q19 compared to 12,902 units in 4Q18 (YoY: 66.5%) and 16,357 units in 3Q19 (QoQ: 31.3%) Lexus sold 375 units in 4Q19, compared to 156 units in 4Q18 (YoY: >100%) and 271 units in 3Q19 (QoQ: 38.4%).
- UMWT launched the 12th-generation Corolla in two variants on 12 September 2019. The C-segment sedan is a CBU from Thailand. There are two variants for the model, priced at RM128,888 while the range-topping 1.8G retails at RM136,888. All purchases come with a five-year/unlimited-mileage warranty.
- Based on the 2019 Malaysia Sales Satisfaction Index Study J.D. Power results, Toyota managed to dethrone Nissan to take the top spot with a score of 835 points (following a 1,000-point scale), which is a significant improvement over fourth place in 2018.
- The top three selling models in 2019 were Vios, Hilux and Yaris which accounted for over 70% of Toyota's (excluding Lexus) sales. Lexus' sales were mainly contributed by the RX, NX and ES models.
- UMWT's target for 2020 is 66,000 units
- In 4Q19, Perodua recorded sales of 61,587 units compared with 59,040 units in 4Q18 (YoY: 4.3%) and 56,972 units in 3Q19 (QoQ: 8.1%).
- Perodua maintained its pole position in 2019 with a market share of 39.8%.
- Perodua announced that it is centralising parts production for its past models with the launch of a new press stamping machine at its supplier IQM Sdn Bhd's facility with an investment of RM7million.
- The 2020 Perodua Bezza has been officially launched on 8 January 2020 in Malaysia, with the carmaker expecting to deliver some 5,600 units in January. Priced from RM34,580 to RM49,980 in Peninsular Malaysia, the 2020 Perodua Bezza comes in 4 variants. As at 20 January 2020, 2,000 units have been delivered with 15,000 units of bookings recorded.
- Perodua revealed it is planning to nearly double its spending in investment for 2020 to RM1.06 billion. Perodua president and CEO Datuk Zainal Abidin Ahmad said that the bulk of the investment would be used on plant modernisation, building expansion as well as preparation for a new model.
- Perodua's 2020 sales target is 240,000 units.

## PROSPECTS

- The Malaysian Automotive Association is expecting a marginal growth of 0.5% in the industry for 2020. With the expected modest growth in the industry as well as continued soft consumer sentiment, stiff competition and challenging forex, vehicle sales are expected to remain moderate.
- The Group, however, hopes to cushion the impact by introducing new models to attract sales.

# BUSINESS SEGMENT

## EQUIPMENT

(RM'000)	4Q19	4Q18	% YoY	3Q19	% QoQ	2019	2018	% YoY
Revenue	328,031	397,244	(17.4)	353,660	(7.2)	1,408,164	1,539,647	(8.5)
Profit Before Taxation	27,274	33,880	(19.5)	30,772	(11.4)	135,677	160,135	(15.3)

### RESULTS

4Q19 / 2019 (y-o-y)  
& 4Q19 (y-o-y)

- Revenue and PBT declined due to sluggish demand as a result of a slow down in pertinent sectors that the business operates in.

#### Highlights – Komatsu products covering Malaysia, Singapore, PNG & Myanmar

- Malaysia** – intense competition and slowdown in pertinent sectors have impacted results.
- In **PNG**, the promising gold prices has sustained our mining sector sales. Construction sector is active with more new machines sold for big infrastructure projects such as Highlands Highway project and the national road network.
- Construction output in **Singapore** was supported by public sector works. However, pricing competition remains stiff.
- Myanmar** – Jade mining sector is still affected by the ban on new equipment sales. The competition in the construction industry remains challenging but the launch of a new model in October 2019 together with Split Payment term had helped to improve equipment sales.

HEAVY EQUIPMENT

#### Market Share

Toyota forklift strengthened its market leadership position in Malaysia's material handling equipment business

#### Highlights

Malaysia industrial equipment operations achieved its FY2019 target driven by the renewal of key rental contracts and securing major new contracts for its forklift business.

The Company launched CARA, an all-in-one e-services solutions designed to cater to the needs of existing and future customers. The CARA forklift e-services app aims to increase customer's confidence in the Company's services which in turn would contribute to higher services penetration rate.

The business will continue to leverage on advances in digital technologies to enhance value proposition to customers.

INDUSTRIAL EQUIPMENT

#### Highlights

Secured an Engineering, Procurement and Construction (EPC) contract to build 15 MW and 40 ton/hr Combined Heat and Power (CHP) plant for a glove manufacturing plant to be completed early 2021.

Delivered one unit gas engine driven compressor package and one unit of 1600 kW diesel engine generator package to a centralized processing platform in offshore Sarawak.

MARINE & POWER EQUIPMENT

### PROSPECTS

- The heavy equipment business outlook remains subdued due to sluggish demand in the various sectors it operates in. However, revival of major infrastructure projects in Malaysia, higher demand in Singapore and Papua New Guinea are expected to contain the downward pressure on the business.
- Meanwhile, the industrial equipment business will continue to focus on the growth sectors as well as the better prospects expected in Vietnam, supported by leasing and other value-added services.

# BUSINESS SEGMENT

## MANUFACTURING & ENGINEERING

(RM'000)	4Q19	4Q18	% YoY	3Q19	% QoQ	2019	2018	% YoY
Revenue	328,543	242,808	35.3	252,403	30.2	1,062,549	843,157	26.0
Profit Before Taxation	30,001	9,400	>100	15,360	95.3	60,922	21,536	>100

### RESULTS

4Q19 / 2019 (y-o-y) &  
4Q19 (y-o-y)

- Revenue and PBT was higher mainly due to higher volume of fan cases delivered by its Aerospace sub-segment and higher sales of auto-components and lubricants.
- The segment also benefitted from cost optimisation efforts from the businesses.

### Highlights

Aerospace business turned profitable in 2019 with the higher number of fan cases produced and delivered, as well as cost optimization efforts.

Auto components sub-segment benefitted from new model launches for the year such as the Aruz, Axia, Vios, combined with higher consumer demand for 2-wheelers and the export market.

Despite the intense competition, the lubricants business registered a revenue growth in 2019 due to its aggressive marketing activities.

### PROSPECTS

- The Aerospace business is expected to further boost its plant utilisation in 2020.
- The demand for auto-components and lubricants is expected to remain stable over the near term.

# UMW HOLDINGS BERHAD

## Consolidated Balance Sheet

(RM'000)	As at 31 Dec 2019 (Unaudited)	As at 31 Dec 2018 (Audited)	As at 31 Dec 2017 (Audited)
Property, Plant & Equipment	2,756,761	2,820,924	2,658,103
Investment in Associates	1,866,402	1,792,383	1,661,497
Inventories	1,589,567	1,548,507	1,410,746
Deposits, Cash & Bank Balances	1,472,111	1,311,764	1,169,568
<b>TOTAL ASSETS</b>	<b>11,147,839</b>	<b>10,757,995</b>	<b>10,095,732</b>
Long Term Borrowings	2,123,422	2,298,249	2,069,717
Short Term Borrowings	386,361	534,486	691,857
<b>TOTAL LIABILITIES</b>	<b>5,053,444</b>	<b>5,043,552</b>	<b>5,917,302</b>
<b>TOTAL EQUITY</b>	<b>6,094,395</b>	<b>5,714,443</b>	<b>4,178,430</b>
<b>Net Assets Per Share</b>	<b>RM3.16</b>	<b>RM2.86</b>	<b>RM2.61</b>



# THANK YOU



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